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NOV 14 2003

DEPARTMENT OF REAL ESTATE

By James B. Crane

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)
PFC ENTERPRISES, INC. and)
PAUL CHARLES ALLEN,)
Respondents.)

No. H-27655 LA

ORDER GRANTING REINSTATEMENT OF LICENSE

On October 26, 1998, a Decision was rendered herein, revoking the corporate real estate broker license of PFC ENTERPRISES, INC. and the real estate broker license of PAUL CHARLES ALLEN, effective November 23, 1998. Respondents were given the right to apply for and receive restricted real estate broker licenses which were issued on November 23, 1998.

On or about January 18, 2000, Respondents petitioned for reinstatement of their real estate licenses. The petition was withdrawn on or about March 16, 2000.

///

1 On or about August 27, 2002, Respondents again
2 petitioned for reinstatement of their real estate licenses
3 and the Attorney General of the State of California has been
4 given notice of both filings.

5 I have considered Respondents' petitions and the
6 evidence and arguments in support thereof. Respondents have
7 demonstrated to my satisfaction that grounds do not presently
8 exist to deny the issuance of an unrestricted real estate
9 license to each Respondent.

10 NOW, THEREFORE, IT IS ORDERED that Respondent PFC
11 ENTERPRISES, INC.'s petition for reinstatement is granted and
12 that an unrestricted corporate real estate broker license be
13 issued to this Respondent if it satisfies the following
14 condition within one (1) year from the date of this Order:

15 Submittal of a completed application and payment of
16 the fee for a corporate real estate broker license.

17 IT IS ALSO ORDERED that Respondent PAUL CHARLES
18 ALLEN's petition for reinstatement is granted and that an
19 unrestricted real estate broker license be issued to this
20 Respondent if he satisfies the following conditions within one
21 (1) year from the date of this Order:

22 1. Submittal of a completed application and payment
23 of the fee for a real estate broker license.

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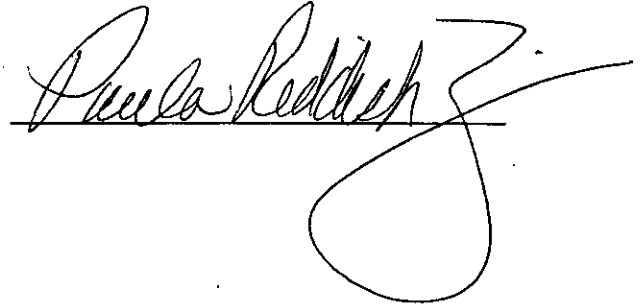
1 2. Submittal of evidence of having, since the most
2 recent issuance of an original or renewal real estate license,
3 taken and successfully completed the continuing education
4 requirements of Article 2.5 of Chapter 3 of the Real Estate
5 Law for renewal of a real estate license.

6 3. Submittal of proof satisfactory to the
7 Commissioner of having taken and completed the trust fund
8 accounting and handling course specified in paragraph (3),
9 subdivision (a) of Section 10170.5 of the Business and
10 Professions Code.

11 This Order shall become effective immediately.

12 DATED: November 5, 2003.

13 PAULA REDDISH ZINNEMANN
14 Real Estate Commissioner

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23 cc: PFC Enterprises, Inc.
24 Paul Charles Allen
25 21871 Delicia Drive
26 Trabuco Canyon, CA 92679

27 25431 Cabot Road, Suite 110
Laguna Hills, CA 92653

Sachs

FILED
NOV 02 1998

DEPARTMENT OF REAL ESTATE

By [Signature]

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of) NO. H-27655 LA
)
PFC ENTERPRISES, INC., and) STIPULATION AND AGREEMENT
PAUL CHARLES ALLEN)
)
Respondents.)

It is hereby stipulated by and between PFC ENTERPRISES, INC. and PAUL CHARLES ALLEN (sometimes referred to as Respondents), and the Complainant, acting by and through James R. Peel, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation filed on June 30, 1998, in this matter.

1. All issues which were to be contested and all evidence which was to be presented by Complainant and Respondents at a formal hearing on the Accusation, which hearing was to be held in accordance with the provisions of the Administrative Procedure Act (APA), shall instead and in place thereof be submitted solely on the basis of the provisions of this Stipulation and Agreement.



1 2. Respondents have received, read and understand the
2 Statement to Respondent, the Discovery Provisions of the APA and
3 the Accusation filed by the Department of Real Estate in this
4 proceeding.

5 3. On July 8, 1998, Respondents filed a Notice of
6 Defense, pursuant to Section 11506 of the Government Code for the
7 purpose of requesting a hearing on the allegations in the
8 Accusation. Respondents hereby freely and voluntarily withdraw
9 said Notice of Defense. Respondents acknowledge that they
10 understand that by withdrawing said Notice of Defense they will
11 thereby waive their right to require the Commissioner to prove the
12 allegations in the Accusation at a contested hearing held in
13 accordance with the provisions of the APA and that they will waive
14 other rights afforded to them in connection with the hearing, such
15 as the right to present evidence in defense of the allegations in
16 the Accusation and the right to cross-examine witnesses.

17 4. Respondents, pursuant to the limitations set forth
18 below, although not admitting or denying the truth of the
19 allegations, will not contest the factual allegations contained in
20 the Accusation filed in this proceeding and the Real Estate
21 Commissioner shall not be required to provide further evidence of
22 such allegations.

23 5. It is understood by the parties that the Real Estate
24 Commissioner may adopt the Stipulation and Agreement as his
25 decision in this matter thereby imposing the penalty and sanctions
26 on Respondents' real estate license and license rights as set
27 forth below in the "Order". In the event that the Commissioner in



1 his discretion does not adopt the Stipulation and Agreement, it
2 shall be void and of no effect, and Respondents shall retain the
3 right to a hearing and proceeding on the Accusation under all the
4 provisions of the APA and shall not be bound by any stipulation or
5 waiver made herein.

6 6. The Order or any subsequent Order of the Real Estate
7 Commissioner made pursuant to this Stipulation and Agreement shall
8 not constitute an estoppel, merger or bar to any further
9 administrative or civil proceedings by the Department of Real
10 Estate with respect to any matters which were not specifically
11 alleged to be causes for accusation in this proceeding.

12 7. This Stipulation is entered into by each party with
13 the express understanding and agreement that it is to be used for
14 the purposes of settling these proceedings only and that this
15 Stipulation shall not be deemed, used, or accepted as an
16 acknowledgment or stipulation in any other civil or administrative
17 proceeding to which this Department is not a party.

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DETERMINATION OF ISSUES

20 By reason of the foregoing stipulations and waivers and
21 solely for the purpose of settlement of the pending Accusation
22 without a hearing, it is stipulated and agreed that the following
23 determination of issues shall be made:

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The conduct of Respondents, PFC ENTERPRISES, INC. and
PAUL CHARLES ALLEN, as alleged in the Accusation, is grounds for
the suspension or revocation of all of the real estate licenses



1 and license rights of Respondents under the provisions of
2 Regulations 2830, 2832, 2832.1, 2834 and Sections 10145, 10137,
3 and 10177(d) of the Business and Professions Code. The conduct of
4 respondent PAUL CHARLES ALLEN is further subject to disciplinary
5 action under Section 10177(h) of the Code.

7 ORDER

8 All licenses and licensing rights of Respondents PFC
9 ENTERPRISES, INC. and PAUL CHARLES ALLEN under the Real Estate Law
10 are revoked; provided, however, a restricted real estate broker
11 license shall be issued to Respondents pursuant to Section 10156.5
12 of the Business and Professions Code if Respondents make
13 application therefor and pay to the Department of Real Estate the
14 appropriate fee for the restricted license within 90 days from the
15 effective date of this Decision. The restricted license issued to
16 Respondents shall be subject to all of the provisions of Section
17 10156.7 of the Business and Professions Code and to the following
18 limitations, conditions and restrictions imposed under authority
19 of Section 10156.6 of that Code:

20 1. No restricted broker license shall be issued to
21 respondent until respondent provides evidence satisfactory to the
22 Real Estate Commissioner that the trust account shortages set
23 forth in the Accusation have been cured. The source of funds used
24 by respondent to cure the shortage shall be acceptable to the
25 Commissioner.



1 2. The restricted license issued to Respondent may be
2 suspended prior to hearing by Order of the Real Estate
3 Commissioner in the event of Respondent's conviction or plea of
4 nolo contendere to a crime which is substantially related to
5 Respondent's fitness or capacity as a real estate licensee.

6 3. The restricted license issued to Respondent may be
7 suspended prior to hearing by Order of the Real Estate
8 Commissioner on evidence satisfactory to the Commissioner that
9 Respondent has violated provisions of the California Real Estate
10 Law, the Subdivided Lands Law, Regulations of the Real Estate
11 Commissioner or conditions attaching to the restricted license.

12 4. Respondent shall not be eligible to apply for the
13 issuance of an unrestricted real estate license nor for the
14 removal of any of the conditions, limitations or restrictions of a
15 restricted license until one year has elapsed from the effective
16 date of this Decision.

17 5. Respondent PAUL CHARLES ALLEN shall, within nine
18 months from the effective date of this Decision, present evidence
19 satisfactory to the Real Estate Commissioner that Respondent has,
20 since the most recent issuance of an original or renewal real
21 estate license, taken and successfully completed the continuing
22 education requirements of Article 2.5 of Chapter 3 of the Real
23 Estate Law for renewal of a real estate license. If Respondent
24 fails to satisfy this condition, the Commissioner may order the
25 suspension of the restricted license until the Respondent presents
26 such evidence. The Commissioner shall afford Respondent the

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1 opportunity for a hearing pursuant to the Administrative Procedure
2 Act to present such evidence.

3 6. Respondent PAUL CHARLES ALLEN shall, within six
4 months from the effective date of this Decision, take and pass the
5 Professional Responsibility Examination administered by the
6 Department including the payment of the appropriate examination
7 fee. If Respondent fails to satisfy this condition, the
8 Commissioner may order suspension of Respondent's license until
9 Respondent passes the examination.

10 7. Pursuant to Section 10148 of the Business and
11 Professions Code, Respondents PFC ENTERPRISES, INC. and PAUL
12 CHARLES ALLEN shall pay the Commissioner's reasonable cost for an
13 audit to determine if Respondent PFC ENTERPRISES, INC. is
14 conducting activities requiring a real estate license in
15 compliance with Real Estate Law. In calculating the amount of the
16 Commissioner's reasonable cost, the Commissioner may use the
17 estimated average hourly salary for all persons performing audits
18 of real estate brokers, and shall include an allocation for travel
19 costs, including mileage, time to and from the auditor's place of
20 work, and per diem. The Commissioner's reasonable cost shall in
21 no event exceed \$4,000. Respondents shall pay such cost within 45
22 days of receiving an invoice from the Commissioner detailing the
23 activities performed during the audit and the amount of time spent
24 performing those activities. The Commissioner may suspend the
25 restricted license issued to respondents pending a hearing held in
26 accordance with Section 11500, et seq., of the Government Code, if
27 payment is not timely made as provided for herein, or as provided

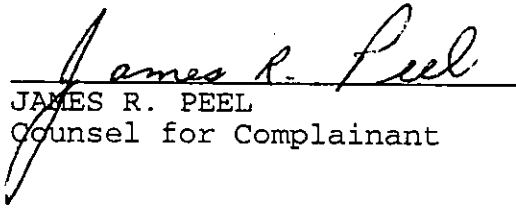


1 for in a subsequent agreement between the Respondents and the
2 Commissioner. The suspension shall remain in effect until payment
3 is made in full or until Respondents enter into an agreement
4 satisfactory to the Commissioner to provide for payment or until a
5 decision providing otherwise is adopted following a hearing held
6 pursuant to this condition.

7 Petition for reinstatement of a revoked real estate
8 license is controlled by Section 11522 of the Government Code. A
9 copy of Section 11522 is attached hereto for the information of
10 respondents.

11 If and when application is made for a real estate
12 license through a petition for reinstatement, all competent
13 evidence of rehabilitation presented by the respondent will be
14 considered by the Real Estate Commissioner. A copy of the
15 Commissioner's Criteria of Rehabilitation is attached hereto.

16 DATED: Oct. 20, 1998

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18 JAMES R. PEEL
19 Counsel for Complainant
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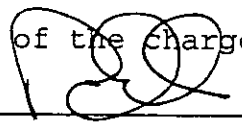
24 * * * *

25 I have read the Stipulation and Agreement, and its terms
26 are understood by me and are agreeable and acceptable to me. I
27 understand that I am waiving rights given to me by the California



1 Administrative Procedure Act (including but not limited to
2 Sections 11506, 11508, 11509 and 11513 of the Government Code),
3 and I willingly, intelligently and voluntarily waive those rights,
4 including the right of requiring the Commissioner to prove the
5 allegations in the Accusation at a hearing at which I would have
6 the right to cross-examine witnesses against me and to present
7 evidence in defense and mitigation of the charges.

8 DATED: 10-16-98


PFC ENTERPRISES, INC.
Respondent

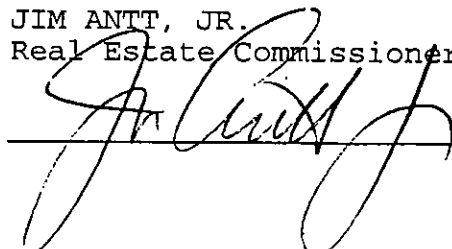
10 DATED: 10-16-98


PAUL CHARLES ALLEN
Respondent

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14 The foregoing Stipulation and Agreement is hereby adopted as
15 my Decision in this matter and shall become effective at 12 o'
16 clock noon on November 23, 1998.

17 IT IS SO ORDERED 10/26, 1998.

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20 JIM ANTT, JR.
Real Estate Commissioner



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22 JRP:rgp
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SACTO

197-0722-001
BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
7-28-98
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of

PFC ENTERPRISES, INC. and
PAUL CHARLES ALLEN, as D.O.

Respondent.

)
) NOTICE OF HEARING ON ACCUSATION
)
) Case No. H-27655 LA
) L- 1998-070-456
)
)

By [Signature]

To the above-named Respondents:

You are hereby notified that a hearing will be held before the Department of Real Estate at the Office of Administrative Hearings, 107 South Broadway, 2nd. Floor, Los Angeles, California 90012 on SEPTEMBER 24, 1998. at 9:00 a.m. or as soon thereafter as the matter can be heard, upon the Accusation served upon you.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter. The interpreter must be approved by the Administrative Law Judge conducting the hearing as someone who is proficient in both English and the language in which the witness will testify. You are required to pay the costs of the interpreter unless the Administrative Law Judge directs otherwise.

Dated: July 28, 1998

DEPARTMENT OF REAL ESTATE

By:

[Signature: James R. Peel]
JAMES R. PEEL
DRE Counsel

cc: PAUL CHARLES ALLEN.
SR, OAH & SACTO

Sachs

1 JAMES R. PEEL, Counsel
2 Department of Real Estate
3 107 South Broadway, Room 8107
4 Los Angeles, California 90012
5 State Bar 47055
6
7 (213) 897-3937
8

FILED
JUN 30 1998
DEPARTMENT OF REAL ESTATE
By [Signature]

9 DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

* * * *

11 In the Matter of the Accusation of) NO. H-27655 LA
12 PFC ENTERPRISES, INC.,)
13 and PAUL CHARLES ALLEN,) ACCUSATION
14)
15 Respondent.)

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17 The Complainant, Thomas Mc Crady, a Deputy Real Estate
18 Commissioner of the State of California, for cause of Accusation
19 against PFC ENTERPRISES, INC., and PAUL CHARLES ALLEN, alleges
20 as follows:

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22 The Complainant, Thomas Mc Crady acting in his
23 official capacity as a Deputy Real Estate Commissioner of the
24 State of California makes this Accusation against PFC
25 ENTERPRISES, INC., and PAUL CHARLES ALLEN.

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II

PFC ENTERPRISES, INC., and PAUL CHARLES ALLEN, (hereinafter referred to as respondents) are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code, hereinafter "Code").

III

At all times herein mentioned, respondent PFC ENTERPRISES, INC., was licensed by the Department of Real Estate of the State of California as a corporate real estate broker, and respondent PAUL CHARLES ALLEN, was licensed as the designated broker officer of said corporation, and ordered, authorized, or participated in the illegal conduct of respondent PFC ENTERPRISES, INC., as alleged in this Accusation.

IV

At all times herein mentioned, respondents PFC ENTERPRISES, INC., and PAUL CHARLES ALLEN on behalf of others in expectation of compensation, engaged in the business, acted in the capacity of, advertised or assumed to act as a real estate broker in the State of California within the meaning of Section 10131(b) of the Code, including soliciting renters and owners and collecting rents on behalf of the owners of real property.

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V

During 1994 through 1997, in connection with the aforesaid real estate brokerage activities, respondent, PFC ENTERPRISES, INC., accepted or received funds from renters and owners and thereafter made disbursements of such funds.

VI

In connection with respondents' activities as a real estate broker, as described above, respondents, PFC ENTERPRISES, INC., and PAUL CHARLES ALLEN acted in violation of the Real Estate Law, Business and Professions Code (hereinafter Code), and California Code of Regulations (hereinafter Regulations), title 10, Chapter 6, as follows:

1. Violated Section 10145(a) of the Code and Regulation 2832.1 by maintaining a combined trust account shortage as of September 30, 1997 in the amount of \$73,733.90.

2. Violated Regulation 2830/2832 by maintaining trust accounts which were not in the broker's name as trustee.

3. Violated Regulation 2834 by allowing an unlicensed person Frank Allen to be a signatory on the trust accounts.

There was no fidelity bond coverage.

4. Violated Section 10137 of the Code by employing Frank Allen to solicit property owners and negotiate property management contracts. This is activity requiring a real estate license pursuant to Section 10131(b) of the Code.

VII

The conduct of respondent , PFC ENTERPRISES, INC., as alleged above, subjects its real estate license and license rights to suspension or revocation pursuant to Section 10177(d), 10137, and 10177(g) of the Code.

VIII

The conduct of respondent PAUL CHARLES ALLEN as alleged above, individually, and as the responsible broker, by causing and permitting respondent PFC ENTERPRISES, INC., to engage in the conduct specified in paragraph VI above, subjects his real estate licenses and license rights to suspension or revocation pursuant to Sections 10177(d) and 10177(h) of the Code.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and, that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of respondents PFC ENTERPRISES, INC., and PAUL CHARLES ALLEN under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California this 30th day of June, 1998.

THOMAS MC CRADY

Deputy Real Estate Commissioner

cc: PFC ENTERPRISES, INC.,
PAUL CHARLES ALLEN
Sacto.
SR

JRP:rgp

